BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS DOUG LITTLE – Chairman

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AZ CORP COMMISSION

DOCKET NO. W-02351A-11-0231

PROCEDURAL ORDER

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BY THE COMMISSION:

IN THE MATTER OF THE APPLICATION OF

APPROVAL OF A RATE INCREASE.

PICACHO PEAK WATER COMPANY, INC. FOR

On June 1, 2011, Picacho Peak Water Company, Inc. ("Picacho" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a permanent rate increase ("Application").

On August 17, 2011, the Commission's Utilities Division ("Staff") issued its Sufficiency Letter indicating that Picacho's Application was sufficient under the Arizona Administrative Code.

On October 14, 2011, the parties filed a Joint Stipulation to Suspend Time Clock and Request for Procedural Order ("Request"), noting Staff had become aware that Picacho was discussing certain compliance issues with the Arizona Department of Environmental Quality ("ADEQ"). Staff believed that these compliance issues needed to be resolved before Staff could evaluate the Application. As such, the parties agreed to a suspension of the time clock and procedural deadlines while Picacho and ADEQ worked to address compliance concerns. Picacho and Staff requested issuance of a Procedural Order that indefinitely suspended the time clock and other deadlines until all ADEQ compliance issues have been resolved.

On October 25, 2011, a Procedural Order was docketed granting the Request and suspending the time clock and all deadlines. The Procedural Order directed Picacho to file periodic Status Reports regarding the Company's compliance with ADEQ regulations.

On May 29, 2015, Staff filed a Request for Procedural Conference, which was granted by a Procedural Order issued June 9, 2015.

The procedural conference convened on June 23, 2015, with Staff and the Company present

through counsel. The parties discussed the current status of the ADEQ compliance issues and Picacho stated that it was nearly finished with the necessary system improvements. Staff and Picacho agreed that the test year information in the Application was now stale and that the Company should file in this docket an amended application updating its test year information.

Pursuant to a Procedural order issued August 3, 2015, Picacho filed its amended rate application on October 2, 2015.

On December 17, 2015, Staff submitted a Letter of Sufficiency, stating that the Company's Application was sufficient pursuant at A.C.C. R14-2-103, and classifying Picacho as a Class E utility.

On February 12, 2016, docketed its Staff Report, and on March 4, 2016, Staff filed a Revised Staff Report.

Picacho filed its Comments to Amended Staff Report on March 21, 2016. In its Comments, The Company raised issues regarding the classification of customers.

In order to address certain questions raised by Picacho in its Comments, a procedural conference will be held.

IT IS THEREFORE ORDERED that a telephonic procedural conference shall be held at <u>9:30</u> a.m. on <u>April 14, 2016</u>, in Room 222 at the Commission's Tucson offices, 400 West Congress. The number to participate telephonically is (888) 450-5996, participant number 457395#.

IT IS FURTHER ORDERED that the time clock is extended to June 17, 2016.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) continues to apply to this proceeding as the matter is set for public hearing.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this ____ day of April, 2016.

BELINDA A. MARTIN ADMINISTRATIVE LAW JUDGE

1	Copies of the foregoing mailed/delivered this day of April, 2016, to:
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